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The Honorable Richard B. Russell  
Chairman, Committee on Armed Services  
United States Senate  
Washington 25, D. C.

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Dear Mr. Chairman:

There are a few key positions in the Central Intelligence Agency which can be filled most effectively, indeed can only be filled effectively, by selected officers of the Armed Services. Although I have a quota of personnel from each of these Services, I am unable to obtain, for these few key positions, officers of the training and experience which I require, as this training and experience is usually acquired only by rather senior officers whose numbers on the active list are limited. The obvious solution is to employ professionally and physically qualified retired officers, but the so-called dual compensation statutes make it impossible for me to obtain the services of any of those who are released for reasons other than for physical disability, and physical disability would in most cases be a disqualifying defect from the CIA point of view. Thus the Government is precluded from utilizing in a very important field the services of certain highly qualified individuals in whose training the United States has a very considerable investment and who are capable of performing highly important functions of particular concern to this Agency by reason of such training.

I am faced with an immediate need for the services of certain peculiarly well qualified retired officers, as well as some who are just reaching the retirement age. Their assistance, particularly in these times, will constitute a contribution of the greatest importance to our work, not only in certain operational and technical fields, but also in estimates of foreign military potentials.

There is submitted herewith the draft of a proposed amendment to the Central Intelligence Agency Act of 1949 to authorize the

Central Intelligence Agency to employ and compensate certain classes of retired officers whose employment is now prohibited by law. This bill has been submitted to the Bureau of the Budget and they have no objection to its presentation to the Congress for its consideration.

Sincerely,

Walter B. Smith  
Director

Enclosure

WLPforzheimer:blc

Distribution:

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1 - Central Records

1 - Comptroller

2 - Legislative Counsel

1 - *Personnel Director*

AN ACT

To amend Section 6 of the Central Intelligence Agency Act of 1949.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 6 of the Central Intelligence Agency Act of 1949 (Act of June 20, 1949, ch. 227, sec. 6, 63 Stat. 211) is hereby amended by the addition of a subsection "(f)" as follows:

"(f)(1) Notwithstanding Section 2 of the Act of July 31, 1894, 28 Stat. 205, as amended, 5 USCA 62, or any other law prohibiting the employment of any retired commissioned or warrant officer of the Armed Services, the Agency is hereby authorized to employ and to pay the compensation of not more than fifteen retired officers or warrant officers of the Armed Services while performing service for the Agency, but while so serving such retired officer will be entitled to receive only the compensation of his position with the Agency, or his retired pay, whichever he may elect.

(2) Nothing in this Section shall limit or affect the appointment of, and payment of compensation to retired officers not presently or hereafter prohibited by law; Provided that, upon such appointment, officers retired for injuries or incapacity incurred in line of duty may, in addition to the elections set forth above, elect to receive, in addition to his retired pay, annual compensation at a rate equal to the amount by which the compensation of his position with the Agency exceeds his retired pay."